

**Wisconsin Department of Employee Trust Funds**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
**December 31, 2001**  
**(In Thousands)**

**Statement 1**

	Governmental Fund Types			Proprietary Fund Types	Fiduciary Fund Types			Account Groups	
	General	Administrative	Enterprise	Pension Trust	Expendable Trust	Investment Trust	Fixed Assets	All Funds	
								12-31-01	12-31-00
Assets:									
Equity in Pooled Cash & Cash Equivalents	\$ 359	\$ 2,422	\$ 48,987	\$ 1,014,292	\$ 4,828	\$ 0	\$ 0	\$ 1,070,888	\$ 1,264,088
Equity in Pooled Investments	0	0	0	57,094,565	1,131,615	0	0	58,226,180	61,749,830
Investment In Fixed Fund	0	0	417,988	0	664,905	64,411	0	1,147,304	1,159,296
Investment In Variable Fund	0	0	0	0	0	11,449	0	11,449	10,676
Contributions Receivable	0	0	4,302	54,392	5,074	0	0	63,768	197
Prior Service Contributions Receivable	0	0	0	2,076,696	0	0	0	2,076,696	2,066,430
Benefit Overpayments Receivable	0	0	889	1,631	0	0	0	2,520	2,355
Due From Other Trust Funds	0	3,430	158	906	36	0	0	4,530	6,025
Due From Federal Government	0	0	0	3	0	0	0	3	4
Prepaid Expenses	1	4	31,924	2,162	5,115	0	0	39,206	32,832
Miscellaneous Receivables	0	38	1	4,884	140	0	0	5,063	42,430
Interest and Dividends Receivable	0	0	0	197,609	0	0	0	197,609	252,302
Investment Sales Receivable	0	0	0	295,127	0	0	0	295,127	149,563
Securities Lending Collateral	0	0	0	2,933,732	0	0	0	2,933,732	3,154,575
Equipment	0	0	0	0	0	0	3,678	3,678	3,892
Total Assets	\$ 360	\$ 5,894	\$ 504,249	\$ 63,675,999	\$ 1,811,713	\$ 75,860	\$ 3,678	\$ 66,077,753	\$ 69,894,495
Liabilities, Equity, and Other Credits:									
Liabilities:									
Securities Lending Collateral Liability	\$ 0	\$ 0	\$ 0	\$ 2,933,732	\$ 0	\$ 0	\$ 0	\$ 2,933,732	\$ 3,154,575
Annuities Payable	350	0	1,648	192,844	0	0	0	194,842	269,519
Estimated Future Claims	0	0	422,414	0	673,446	0	0	1,095,860	1,044,409
Insurance Claims Payable	0	0	0	0	2,343	0	0	2,343	2,269
Compensated Absences Payable	0	602	0	0	0	0	0	602	569
Advance Contributions	0	0	59,223	352	1,621	0	0	61,196	47,292
Miscellaneous Payables	10	1,811	4,376	62,287	173	0	0	68,657	53,780
Fixed Investment Due Other Funds	0	0	0	1,147,304	0	0	0	1,147,304	1,159,296
Variable Investment Due Other Funds	0	0	0	11,449	0	0	0	11,449	10,676
Due To Other Trust Funds	0	167	1,241	2,913	209	0	0	4,530	6,026
Due To Other State Agencies	0	1,262	0	0	0	0	0	1,262	1,262
Investment Payables	0	0	0	92,019	0	0	0	92,019	119,063
Total Liabilities	360	3,842	488,902	4,442,900	677,792	0	0	5,613,796	5,868,736
Equity and Other Credits:									
Fund Balance - Reserved	1	1,566	0	59,233,099	1,133,921	75,860	0	60,444,447	63,958,826
Fund Balance - Unreserved	(1)	486	0	0	0	0	0	485	(975)
Retained Earnings - Reserved For Benefits & Pool Participants	0	0	15,347	0	0	0	0	15,347	64,016
Investment in Fixed Assets	0	0	0	0	0	0	3,678	3,678	3,892
Total Equity and Other Credits	0	2,052	15,347	59,233,099	1,133,921	75,860	3,678	60,463,957	64,025,759
Total Liabilities, Equity and Other Credits	\$ 360	\$ 5,894	\$ 504,249	\$ 63,675,999	\$ 1,811,713	\$ 75,860	\$ 3,678	\$ 66,077,753	\$ 69,894,495

The accompanying notes are an integral part of the financial statements.

**Wisconsin Department of Employee Trust Funds**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Governmental Fund Types and Expendable Trust Funds**  
**For Year Ended December 31, 2001**  
**(In Thousands)**

**Statement 2**

	General Fund Supplement	Administrative Fund	Expendable Trust Funds	Memorandum Only Totals All Funds	
				12-31-01	12-31-00
<b>Revenues:</b>					
General Fund Supplements	\$ 4,698	\$ 0	\$ 0	\$ 4,698	\$ 5,496
Investment Income	0	73	(122,267)	(122,194)	(81,865)
Contributions	0	0	219,550	219,550	207,115
Administrative Expense Reimbursement	0	19,992	213	20,205	17,203
Miscellaneous Receipts	0	0	1,020	1,020	1,229
Total Revenues	<u>4,698</u>	<u>20,065</u>	<u>98,516</u>	<u>123,279</u>	<u>149,178</u>
<b>Expenditures:</b>					
Retirement Annuities	4,517	0	0	4,517	5,375
Deferred Compensation Distributions	0	0	37,384	37,384	36,347
Insurance Claims	0	0	15,252	15,252	14,479
Insurance Premiums	0	0	90,696	90,696	209,322
Carrier Administrative Expenses	0	0	2,734	2,734	2,576
Administrative Expenses	181	18,018	640	18,839	18,393
Total Expenditures	<u>4,698</u>	<u>18,018</u>	<u>146,706</u>	<u>169,422</u>	<u>286,492</u>
Increase (Decrease) in Net Assets	0	2,047	(48,190)	(46,143)	(137,314)
Fund Balance - January 1	0	5	1,182,111	1,182,116	1,319,430
Fund Balance - December 31	<u>\$ 0</u>	<u>\$ 2,052</u>	<u>\$ 1,133,921</u>	<u>\$ 1,135,973</u>	<u>\$ 1,182,116</u>

The accompanying notes are an integral part of the financial statements.

**Wisconsin Department of Employee Trust Funds**  
**Wisconsin Retirement System**  
**Statement of Plan Net Assets**  
**December 31, 2001**  
**(In Thousands)**

**Statement 3**

	<b>Totals</b>	
	<b>12-31-01</b>	<b>12-31-00</b>
<b>Assets:</b>		
Equity in Pooled Cash & Cash Equivalents	\$ 1,014,292	\$ 1,224,715
Securities Lending Collateral	2,933,732	3,154,575
Prepaid Expenses	2,162	271
Receivables:		
Contributions Receivable	54,392	(14,973)
Prior Service Contributions Receivable	2,076,696	2,066,430
Benefits Overpayment Receivable	1,631	1,541
Due From Other Trust Funds	906	1,763
Due From Federal Government	3	4
Miscellaneous Receivables	4,884	42,402
Interest and Dividends Receivable	197,609	252,302
Investment Sales Receivable	295,127	149,563
Total Receivables	2,631,248	2,499,032
Investments, at fair value:		
Bonds	11,153,212	15,406,907
Private Placements	3,867,712	3,562,695
Stocks	38,165,042	37,742,751
Options	0	0
Limited Partnerships	2,712,836	2,817,727
Mortgages	690,206	580,193
Real Estate	505,557	460,259
Other Investments	0	0
Total Investments	57,094,565	60,570,532
Total Assets	63,675,999	67,449,125
<b>Liabilities:</b>		
Fixed Investment Due Other Programs	1,147,304	1,159,296
Variable Investment Due Other Programs	11,449	10,676
Securities Lending Collateral Liability	2,933,732	3,154,575
Annuities Payable	192,844	267,596
Advance Contributions	352	371
Due To Other Trust Funds	2,913	1,987
Miscellaneous Payables	62,287	49,362
Investment Payables	92,019	119,063
Total Liabilities	4,442,900	4,762,926
<b>Net Assets Held in Trust for Pension Benefits</b>	<b>\$ 59,233,099</b>	<b>\$ 62,686,199</b>

(A schedule of funding progress is presented on page 102.)

The accompanying notes are an integral part of the financial statements.

**Wisconsin Department of Employee Trust Funds  
Wisconsin Retirement System  
Statement of Changes in Plan Net Assets  
For Year Ended December 31, 2001  
(In Thousands)**

**Statement 4**

	<b>Totals 12-31-01</b>	<b>12-31-00</b>
<b>Additions:</b>		
Contributions:		
Employer Contributions	\$ 418,319	\$ 414,438
Employee Contributions	506,712	511,661
Total Contributions	<u>925,031</u>	<u>926,099</u>
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	(3,367,457)	(3,020,450)
Interest	1,030,655	1,296,377
Dividends	353,034	613,606
Securities Lending Income	160,319	219,956
Other	104,455	135,890
Less:		
Investment Expense	161,853	98,282
Securities Lending Rebates and Fees	138,997	198,967
Investment Income Distributed To Other Funds	<u>(33,883)</u>	<u>(18,117)</u>
Net Investment Income	(1,985,961)	(1,033,753)
Interest on Prior Service Receivable	153,991	158,299
Miscellaneous Income	<u>211</u>	<u>184</u>
Total Additions	<u>(906,728)</u>	<u>50,829</u>
<b>Deductions:</b>		
Benefits and Refunds:		
Retirement, Disability, and Beneficiary	2,489,997	2,257,696
Separation Benefits	<u>40,740</u>	<u>44,673</u>
Total Benefits and Refunds	<u>2,530,737</u>	<u>2,302,369</u>
Unusual Write Off of Receivable	(784)	183,350
Administrative Expense	<u>16,419</u>	<u>14,529</u>
Total Deductions	<u>2,546,372</u>	<u>2,500,248</u>
<b>Net Increase (Decrease)</b>	<b>(3,453,100)</b>	<b>(2,449,419)</b>
<b>Net Assets Held in Trust for Pension Benefits</b>		
Beginning of Year	<u>62,686,199</u>	<u>65,135,618</u>
End of Year	<u><u>\$ 59,233,099</u></u>	<u><u>\$ 62,686,199</u></u>

The accompanying notes are an integral part of the financial statements.

**Wisconsin Department of Employee Trust Funds**  
**Combined Statement of Revenues, Expenses**  
**and Changes in Retained Earnings**  
**Enterprise Funds**  
**For Year Ended December 31, 2001**  
**(In Thousands)**

**Statement 5**

	<b>Totals</b>	
	<b>12-31-01</b>	<b>12-31-00</b>
<b>Operating Revenues:</b>		
Investment Income	\$ (9,854)	\$ (2,345)
Contributions	655,337	545,942
Total Operating Revenues	645,483	543,597
<b>Operating Expenses:</b>		
Annuities	48,795	42,436
Insurance Claims	103,084	88,179
Insurance Premiums	534,548	442,577
Administrative Expense	7,922	4,967
Total Operating Expenses	694,349	578,159
Operating Income (Loss)	(48,866)	(34,562)
<b>Nonoperating Revenues (Expenses):</b>		
Miscellaneous Income (Expense)	197	165
Net Income (Loss)	(48,669)	(34,397)
Retained Earnings - January 1	64,016	98,413
Retained Earnings - December 31	\$ 15,347	\$ 64,016

The accompanying notes are an integral part of the financial statements.

**Wisconsin Department of Employee Trust Funds**  
**Combined Statement of Cash Flows**  
**Enterprise Funds**  
**For Year Ended December 31, 2001**  
**(In Thousands)**

**Statement 6**

	<b>Totals</b>	
	<b>12-31-01</b>	<b>12-31-00</b>
<b>Cash Flows from Operating Activities</b>		
Cash Received for Insurance Premiums	\$ 673,145	\$ 546,333
Cash Paid for Employee Benefits	(645,747)	(545,523)
Cash Paid for Administrative Services	(6,298)	(7,319)
Interest Income	191	165
Net Cash Provided (Used) by Operating Activities	<u>21,291</u>	<u>(6,344)</u>
<b>Cash Flows from Non-Capital Financing Activities</b>		
Cash Repayments	<u>0</u>	<u>0</u>
Net Cash Provided by Non-Capital Financing Activities	<u>0</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>		
Investment Income	(9,698)	(2,361)
Decrease (Increase) in Investment in Fixed Fund	<u>4,818</u>	<u>(1,636)</u>
Net Cash Provided (Used) by Investing Activities	<u>(4,880)</u>	<u>(3,997)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	16,412	(10,341)
Cash and Cash Equivalents at Beginning of Year	<u>32,575</u>	<u>42,916</u>
Cash and Cash Equivalents at End of Year	<u>\$ 48,987</u>	<u>\$ 32,575</u>

**Reconciliation of Operating Income to Net Cash Provided by Operating Activities**

Operating Income (Loss)	<u>\$ (48,865)</u>	<u>\$ (34,562)</u>
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Investment Income Classified as Operating Revenue	9,855	2,345
Nonoperating Income (Expense)	197	165
Changes in Assets and Liabilities:		
Decrease (Increase) in Contributions Receivable	4,066	(3,852)
Decrease (Increase) in Miscellaneous Receivables	3	16
Decrease (Increase) in Benefit Overpayment Receivable	(75)	5
Decrease (Increase) in Prepaid Expenses	(5,078)	(3,884)
Decrease (Increase) in Due From Other Trust Funds	1,478	(1,546)
Increase (Decrease) in Estimated Future Claims	43,316	31,858
Increase (Decrease) in Advance Contributions	13,708	4,232
Increase (Decrease) in Annuities Payable	154	107
Increase (Decrease) in Miscellaneous Payables	1,544	16
Increase (Decrease) in Due To Other Trust Funds	988	(1,244)
Total Adjustments	<u>70,156</u>	<u>28,218</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 21,291</u>	<u>\$ (6,344)</u>

The accompanying notes are an integral part of the financial statements.

**Wisconsin Department of Employee Trust Funds**  
**Statement of Net Assets**  
**Milwaukee Retirement Systems Investment Trust Fund**  
**December 31, 2001**  
**(In Thousands)**

**Statement 7**

	<b>Totals</b>	
	<b>12-31-01</b>	<b>12-31-00</b>
<b>Assets:</b>		
Investment in Fixed Fund	\$ 64,411	\$ 80,421
Investment in Variable Fund	<u>11,449</u>	<u>10,676</u>
Total Assets	<u>75,860</u>	<u>91,097</u>
<b>Liabilities:</b>		
Due to Other Trust Funds	<u>0</u>	<u>1,561</u>
Total Liabilities	<u>0</u>	<u>1,561</u>
<b>Net Assets Held in Trust for Pool Participants</b>	<u><u>\$ 75,860</u></u>	<u><u>\$ 89,536</u></u>

The accompanying notes are an integral part of the financial statements.

**Wisconsin Department of Employee Trust Funds**  
**Statement of Changes in Net Assets**  
**Milwaukee Retirement Systems Investment Trust Fund**  
**For Year Ended December 31, 2001**  
**(In Thousands)**

**Statement 8**

	<b>Totals</b>	
	<b>12-31-01</b>	<b>12-31-00</b>
<b>Additions:</b>		
Deposits	\$ 3,520	\$ 4,712
Net Investment Income	(2,804)	(1,220)
Total Additions	<u>716</u>	<u>3,492</u>
<b>Deductions:</b>		
Distributions	14,392	26,363
Administrative Expense	0	0
Total Deductions	<u>14,392</u>	<u>26,363</u>
<b>Net Increase (Decrease)</b>	<u>(13,676)</u>	<u>(22,871)</u>
<b>Net Assets Held in Trust for Pool Participants</b>		
Beginning of Year	<u>89,536</u>	<u>112,407</u>
End of Year	<u>\$ 75,860</u>	<u>\$ 89,536</u>

The accompanying notes are an integral part of the financial statements.